

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Item #12

ID #11516

RESOLUTION E-4530

September 13, 2012

R E S O L U T I O N

Resolution E-4530. San Diego Gas & Electric Co. (SDG&E) Advice Letter 2328-E; Southern California Edison Co. (SCE) Advice Letter 2693-E; Pacific Gas and Electric Co. (PG&E) Advice Letter 3995-E

PROPOSED OUTCOME: This Resolution approves, with modifications, the Tier 2 Advice Letters filed by SDG&E, SCE and PG&E providing customers with electricity cost and data information, pursuant to Ordering Paragraphs 5, 6 and 7 of D.11-07-056. This Resolution also provides additional direction to SDG&E, SCE and PG&E in implementing pilots to provide wholesale price information to customers and customer-owned devices in real-time as directed by Ordering Paragraph 7 of D.11-07-056. This Resolution rejects PG&E and SCE's proposed tariff revisions, and directs SDG&E, SCE and PG&E to modify their existing Rule 12 to ensure consistency in implementation across the utilities.

ESTIMATED COST: None

By SDG&E Advice Letter 2328-E (U 902-E). Filed on January 30, 2012.

By SCE Advice Letter 2693-E (U 338-E). Filed on January 30, 2012.

By PG&E Advice Letter 3995-E (U 39-E). Filed on January 30, 2012.

SUMMARY

This Resolution addresses San Diego Gas & Electric Co. (SDG&E) Advice Letter 2328-E, Southern California Edison Co. (SCE) Advice Letter 2693-E, and Pacific Gas and Electric Co. (PG&E) Advice Letter 3995-E seeking approval of actions taken to implement Ordering Paragraphs 5, 6 and 7 from D.11-07-056. This

Resolution approves SDG&E, SCE and PG&E's compliance with Ordering Paragraphs 5 and 6 that directed SDG&E, SCE and PG&E to provide their customers with price, usage and cost information about a customer's electricity usage, and make it available via the utility's webpage. This Resolution modifies implementation of Ordering Paragraphs 5 and 6 by rejecting PG&E and SCE's proposed tariff modifications and directs SDG&E, SCE and PG&E to modify Rule 12 to ensure consistency amongst utilities. This Resolution also provides additional direction and guidance in implementing Ordering Paragraph 7 of D.11-07-056.

BACKGROUND

On July 28, 2011, the California Public Utilities Commission (CPUC) issued D.11-07-056 which adopted rules to protect the privacy and security of customer usage data generated by Advanced Meters for the customers of SDG&E, SCE and PG&E. As part of that decision, the CPUC directed SDG&E, SCE and PG&E to each file a Tier 2 Advice Letter within 6 months detailing certain information to customers, via the utility's websites:

- Ordering Paragraph 5 directed SDG&E to file an Advice Letter within 6 months "to make price, usage and cost information available to its customers online. ... The tariff changes must offer residential customers bill-to-date, bill forecast data, project month-end tiered rate, and notifications as the customers cross rate tiers as part of the pricing data provided to customers. The prices must state an "all in" price the customers pay for electricity."
- Ordering Paragraph 6 directed SCE and PG&E to "continue to provide customers with price and usage data" and to file an Advice Letter within 6 month "to make price, usage and cost information available to its customers online The tariff changes must offer residential customers bill-to-date, bill forecast data, projected month-end tiered rate, and notifications as the customers cross rate tiers as part of the pricing data provided to customers. The prices must state an "all in" price the consumers pay for electricity."
- Ordering Paragraph 7 stated the SDG&E, SCE and PG&E "shall each work with the California Independent System Operator in

developing a methodology to make wholesale prices available to customer on each company's website, and shall include the results of the methodological discussions and a proposal for providing wholesale prices to customers" as part of their Advice Letter filings.

On January 20, 2012, CPUC Staff facilitated a workshop to discuss in more detail the requirements of Ordering Paragraph 7 and providing wholesale price information to customers. In addition, the workshop discussed means by which Ordering Paragraph 7 and Ordering Paragraph 10 of D.11-07-056 could be coordinated to facilitate the ability of customers and customer-owned appliances to respond to a wholesale price or other signal.

On January 30, 2012, SDG&E, SCE and PG&E filed their Tier 2 Advice Letters in compliance with Ordering Paragraphs 5, 6, and 7.

A) SDG&E Advice Letter 2328-E

SDG&E states that they will make available to customers price, usage and billing information, as well as other tools, such as viewing and comparing historical billing data, goals and alerts programs, and other data analytical tools. SDG&E states that it will provide small commercial and residential customers with bills based on usage and rates, as well as taxes, service charges and other billing determinants "to present the customer with as much "all-in" billing information as possible."¹ These tools are expected to be available starting in 2012 and be available for the majority of SDG&E customers in 2013. SDG&E states that it will leverage tools and programs already directed by the CPUC to encourage customer participation in energy efficiency and demand response programs. SDG&E notes, however, that many of these customer analytical tools are dependent on the CPUC approving an all-party settlement in A.10-07-009. Additionally, SDG&E states that it does not need to modify any existing tariff as their tariffs "do not address the online presentment of price, usage and billing data."²

¹ SDG&E AL 2328-E at 2.

² *Id.* at 3.

In response to Ordering Paragraph 7, SDG&E states that it will continue to work with CPUC Staff and the California Independent System Operator (CAISO) to develop ways to provide customers with wholesale prices or signals to customers.³ Additionally, SDG&E notes that the CAISO is working on developing a conceptual proposal detailing the information that will be provided by the CAISO.

B) SCE Advice Letter 2693-E

SCE states that it is already providing the data directed by Ordering Paragraph 6 of D.11-07-056. SCE notes that it was previously directed by the CPUC to provide its customers with hourly usage, price and cost information, bill-to-date, bill forecast and tier notification as part of its SmartConnect Program, adopted by the CPUC in D.08-09-039.⁴ This data is available to SCE's customers who have an Advanced Meter and have registered for an online account through SCE's My Account website. SCE proposes to modify their pending Rule 25 by adding language that details how a customer can access their usage information online, or by calling an SCE representative.^{5,6} SCE also provides examples of tools and data that are available to customers, as of January 2012.⁷

In regards to Ordering Paragraph 7, SCE states that it will continue to work with CPUC Staff, CAISO and other stakeholders "to develop a proposal to provide wholesale prices (or signals) to customers."⁸ SCE notes that the definition of the wholesale price or signal is still to be determined, but that the CAISO is currently working on finalizing a conceptual proposal for providing wholesale price

³ *Id.* at 4.

⁴ SCE AL 2693 at 2.

⁵ *Id.* at Attachment A.

⁶ SCE's proposed Rule 25 is currently pending in Advice Letter 2644-E, filed October 27, 2011.

⁷ SCE AL 2693 at Attachment B.

⁸ *Id.* at 4.

information, and SCE will supplement the Advice Letter after the CAISO completes work on its proposal. SCE also notes that it may be possible to leverage the requirements of Ordering Paragraph 7 with Ordering Paragraph 10, which directed the creation of a real-time retail pricing pilot; specifically, SCE states that it may be able to also provide wholesale prices to customers as part of that pilot.⁹

C) PG&E Advice Letter 3995-E

PG&E states that it is already providing many of the requirements stated in Ordering Paragraph 6 to its customers online, with the exception of the bill-to-date, bill forecast and projected month-end tiered rate information requirements. PG&E states that it will be capable of providing this information to its customers by the end of 2012.¹⁰ PG&E proposes to modify its Electric Rule 12 by adding language stating that PG&E will make price, usage and cost information available to customers.¹¹

In regards to Ordering Paragraph 7, PG&E states that it will continue to work with CPUC Staff, CAISO and other stakeholders “to develop a proposal to provide wholesale prices (or signals) to customers.”¹² PG&E notes that the definition of the wholesale price or signal is still to be determined, but that the CAISO is currently working on finalizing a conceptual proposal for providing wholesale price information, and PG&E will supplement the Advice Letter after the CAISO completes work on its proposal.¹³

⁹ *Id.*

¹⁰ PG&E AL 3995-E at 2.

¹¹ *Id.* at Attachment B.

¹² *Id.* at 2.

¹³ *Id.*

NOTICE

Notice of AL 2328-E (U 902-E), AL 2693-E (U 338-E), and AL 3995-E (U 39-E) was made by publication in the CPUC's Daily Calendar. SDG&E, SCE and PG&E state that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

SDG&E AL 2328-E, SCE AL 2693-E and PG&E AL 3995-E was timely protested by the Division of Ratepayer Advocates (DRA) on February 21, 2012.¹⁴ SDG&E, SCE and PG&E responded to DRA's protest on February 28, 2012.

DRA's Protest identifies three issues that need to be addressed to ensure that Ordering Paragraphs 5 and 6 are implemented consistently. First, DRA argues that the three utilities should make tariff changes in a similar manner. DRA notes that SCE proposed tariff changes to their proposed Rule 25, PG&E proposed revising Rule 12 and SDG&E made no proposed tariff changes.¹⁵ DRA requests that tariff changes for all three IOUs be made to the existing Rule 12. Additionally, DRA requests that the language added to Rule 12 be consistent, and proposes that PG&E's language be adopted. Finally, DRA also requests that when the proposed Rule 25 is adopted, the same language be included in that Rule as well as Rule 12.¹⁶

Second, DRA questions whether SDG&E, SCE and PG&E are using a consistent definition of "all in" when providing price information to customers.¹⁷ DRA

¹⁴ *Consolidated Protest of the Division of Ratepayer Advocates* (February 21, 2012) (DRA Protest).

¹⁵ DRA Protest at 3-4.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 5.

recommends that the IOUs should work together and “provide, to the extent possible, identical components in the “all in” price to customers.”¹⁸

Finally, DRA requests that the IOUs “develop a plan for collecting customer feedback and making changes to their online tools accordingly.”¹⁹ DRA notes that providing online tools “should evolve based on customer feedback and lessons learned” and that the utilities should make use of that feedback to make online tools and information more “actionable.”²⁰

SDG&E replies that D.11-07-056 recognized that each utility was at different stages in implementing these online tools to customers and could have directed the utilities to implement Ordering Paragraphs 5 and 6 in a uniform manner.²¹ Additionally, SDG&E states DRA’s argument on consistency is a collateral attack on a final CPUC decision and should be rejected. Nevertheless, SDG&E notes that it will modify Rule 33 to incorporate language on availability of data online should the CPUC direct it.²² In regards to the definition of “all in” price, SDG&E replies that it will use the same billing attributes for online presentment as it does to generate a customer bill, and will coordinate with the other utilities on their plans for online presentment of information.²³ Finally SDG&E explains what strategies will be used to collect customer feedback and states that “customer feedback will influence the online presentment tool.”²⁴

¹⁸ *Id.*

¹⁹ *Id.* at 6.

²⁰ *Id.* at 5.

²¹ *SDG&E Reply to DRA Protest* at 1-2 (February 28, 2012).

²² *Id.* at 2. Rule 33 is SDG&E’s proposed rule implementing Attachment D of D.11-07-056 which adopted customer privacy rules. Rule 33 is currently pending in AL 2297-E.

²³ *Id.*

²⁴ *Id.* at 3.

In their reply, SCE states it is amenable to modifying their Rule 12 rather than the proposed Rule 25.²⁵ Additionally, SCE proposes a modification to the language proposed by PG&E in their AL 3995-E.²⁶ Specifically, SCE proposes to modify their Rule 12 to include the following language²⁷:

Online Price, Usage and Cost Information

Customers may access their price, usage and cost information online by visiting www.sce.com/MyAccountAccess.

Finally, SCE explains that it is already collecting customer feedback and making changes to their online tools. Specifically, SCE notes that it will continue to obtain feedback and make changes as additional tools are made available to customers.²⁸

PG&E's reply states that it "believes that its definition of its "all-in" price is comparable to that used by SCE and SDG&E" but will coordinate with the other utilities on consistency. PG&E also notes that it is collecting customer feedback and making changes to their online tools as warranted. Finally, PG&E argues that DRA's request is inappropriate for an Advice Letter.²⁹

DISCUSSION

This Resolution finds that SDG&E, SCE and PG&E have met the requirements of Ordering Paragraphs 5 and 6 in describing how the utilities are providing

²⁵ *SCE Reply to DRA Protest* at 1 (February 28, 2012).

²⁶ PG&E's AL 3995-E proposed the following language to their Rule 12: "PG&E will make available online to its customers price, usage and cost information in accordance with Ordering Paragraph 6 of D.11-07-056 and other Commission requirements."

²⁷ *Id.* at 2.

²⁸ *Id.*

²⁹ *PG&E Reply to DRA Protest* at 1 (February 28, 2012).

customers with data and tools via the utility websites. Each utility stated that it is either already providing the information as directed by Ordering Paragraphs 5 and 6, or is in the process of providing that data to customers. However, this Resolution agrees with DRA that changes to utility tariffs should be consistent in its implementation. Both SCE and PG&E agree to modifying their existing Rule 12 to incorporate language identifying the availability of price, usage and cost information online, and where to find that information. SDG&E's argument that such language is not necessary for Rule 12 or is more appropriate for pending rules on privacy is not persuasive.

This Resolution rejects PG&E and SCE's proposed tariff modifications. This Resolution directs SDG&E, SCE and PG&E to file a Tier 1 Advice Letter within 30 days of approval of this Resolution modifying its Electric Rule 12. The utilities' Electric Rule 12 shall be modified to include the following language:

Online Price, Usage and Cost Information

[Utility] will make price, usage and cost information, updated at least on a daily basis, available online to its customers, along with applicable price and cost details and with hourly or 15-minute granularity (matching the time granularity programmed into the customer's smart meter), available by the next day. Customers may access their price, usage and cost information online by visiting [insert URL address].

Ensuring that the data available to customers is implemented consistently across the utilities is important for the growth in advanced technologies and services that may be implemented by utilities and third parties. As part of that effort, this Resolution agrees with DRA that the "all in" price should be determined uniformly by the utilities. Each utility states that it believes the "all in" price is determined in the same way, but the responses of the utilities are not enough to ensure that it is the case. This Resolution adopts PG&E's request for additional conversation and coordination between the utilities and to work with DRA, and CPUC Staff, if necessary, to determine a consistent set of billing determinants. As part of the Tier 1 Advice Letter, as outlined above, each utility should provide a consensus definition of the "all-in" price. If there is no consensus reached by

the utilities, each Advice Letter should explain the reason(s) for the disagreement and identify the components of the “all in” price made available online.

Finally, this Resolution accepts the utilities’ responses to DRA in regards to customer feedback to its online tools. The utilities adequately explain their plan for collecting customer feedback and how the utility may use that feedback to update their online tools. This Resolution also agrees with PG&E that this Advice Letter process is not the appropriate venue to address DRA’s concerns around the usage of customer feedback. There are a number of other on-going proceedings addressing customer engagement where these issues are more appropriate.

Ordering Paragraph 7 directed the utilities to work with the CAISO to develop a methodology to make wholesale electricity prices available to customers. The CPUC Staff organized a workshop on January 20, 2012 to discuss initial steps on how to meet this requirement. During the workshop, discussion was held between Staff, the CAISO, utilities, DRA and other parties on developing this process. One of the primary issues to be determined is what price does the CAISO want to make available to utilities, third parties and customers. At the workshop, the CAISO provided a draft proposal that would send an “index” that would represent the wholesale price, the current system conditions at the CAISO, and would also be able to reflect a local condition at the distribution level.³⁰ This “index” would not be a simple wholesale price, but, rather, reflects the current state of the wholesale market in California and the current mismatch between wholesale price and system conditions. Additionally, this “index” would be able to be used by third parties and appliance manufacturers who may offer customers other services based on this “index” signal to encourage customers to respond to system events where the price does not accurately reflect system conditions.

³⁰ “Enabling Price Responsive Demand: Discussion Paper,” California ISO (January 5, 2012) (available at <http://www.caiso.com/Documents/DiscussionPaper-EnablingPriceResponsiveDemand.pdf>).

As the workshop discussion progressed, it was proposed that it may be possible to merge the Ordering Paragraph 7 requirement with a requirement in Ordering Paragraph 10 of D.11-07-056 to include a wholesale pricing pilot as part of the requirement to conduct a pilot to test customer response to the provision of retail price information in real-time. As noted in their Advice Letters, all three utilities stated they will continue to work with parties, Staff and the CAISO to work on identifying appropriate pilots that can be modified to test wholesale price information and customer response using the CAISO “index” signal. The utilities stated that they plan to update these Advice Letters upon the finalization of the CAISO proposal.

On June 12, 2012, the CAISO issued their proposal for implementing this “index” signal.³¹ With the release of this proposal, this Resolution provides additional direction to the utilities as it applies to meeting the Ordering Paragraph 7 requirements. The utilities should continue to identify potential pilots that can be modified to test customer response to the CAISO “index” signal. Additionally, the utilities should participate in any subsequent stakeholder meetings held by the CAISO to implement their “index” proposal. As part of the Tier 1 Advice Letter ordered by this Resolution, the utilities should also provide a status update on progress with the CAISO, as well as progress in identifying potential pilots that can be modified to support this requirement. Future updates to this requirement shall be made in the respective reporting requirements as identified in Ordering Paragraph 10 of D.11-07-056.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment

³¹ “White Paper Proposal: Wholesale Grid State Indicator to Enable Price Responsive Demand,” California ISO (June 12, 2012) (available at <http://www.caiso.com/Documents/WhitePaperProposal-WholesaleGridStateIndicator-EnablePriceResponsiveDemand.pdf>)

prior to a vote of the CPUC. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the CPUC's agenda no earlier than 30 days from today.

Timely comments were received from DRA, SCE and PG&E.

In comments on the Draft Resolution, DRA requests that the CPUC change the Advice Letter filing from a Tier 1 to a Tier 2. DRA comments that a Tier 2 filing would allow for a greater review of the filings and allow for comments to be filed on the Advice Letter.³² DRA's concerns are misplaced as this Resolution directs the specific language to be included in their Electric Rule 12, and provides an opportunity for DRA, and CPUC Staff, to work with the utilities on a definition of the "all-in" price prior to submission of the Advice Letter. Nothing in the rules disallows a protest to a Tier 1 Advice Letter, so DRA is able to protest the Tier 1 Advice Letters, should it so choose.

In comments on the Draft Resolution, SCE notes that the wholesale "index" price may "conflict with local conditions and/or the retail tiered prices that determine the actual cost to SCE's customers" and may cause customer confusion.³³ SCE requests that the Draft Resolution clarify that discussions at the CAISO include when and under what situations the "index" signal would provide benefits to customers. PG&E also expresses concern that the CAISO "index" may cause customer confusion.³⁴ Ordering Paragraph 7 of D.11-07-056 directs the utilities to

³² *Comments of the Division of Ratepayer Advocates on Draft Resolution E-4530* at 3-4 (August 29, 2012).

³³ *Comments of Southern California Edison Company on Draft Resolution E-4530* at 2 (August 29, 2012).

³⁴ *PG&E's Comments on Draft Resolution E-4530* at 3 (August 29, 2012).

work with the CAISO to develop a methodology for providing wholesale prices to customers. While SCE and PG&E raise relevant issues around customer confusion between a wholesale price or “index” with current retail rates, the concerns raised by SCE and PG&E are more appropriate for any future discussions with the CAISO and the implementation of the CAISO’s “index.” Further, issues associated with the rate design aspect of current retail rates is beyond the scope of this Resolution. Therefore, the CPUC declines to modify this Resolution as requested by SCE and PG&E.

FINDINGS AND CONCLUSIONS

1. SDG&E, SCE and PG&E have met the requirements of Ordering Paragraphs 5 and 6 in making available to customers usage, price and cost information.
2. This Resolution rejects the proposed tariff modifications of PG&E and SCE, as explained in the Resolution.
3. DRA’s request for consistency in tariff changes and language is reasonable, and this Resolution directs the utilities to make changes to their tariffs as directed.
4. DRA’s request for consistency in the definition of what encompasses the “all in” price is also reasonable, and this Resolution directs the utilities to confer and report back to the CPUC in a subsequent Advice Letter.
5. This Resolution does not accept DRA’s request for additional information on how the utility will use customer feedback to modify the utilities’ online customer tools.
6. Concerns around utilities’ customer engagement strategy and online tools should be raised in other, active proceedings.
7. This Resolution provides additional direction to the utilities in regards to developing a process to provide customers with wholesale price information in real-time, as directed by Ordering Paragraph 7 of D.11-07-056.
8. It is reasonable for SDG&E, SCE and PG&E to continue working with the CAISO to develop and implement an “index” signal that can be used to facilitate customer response to wholesale market conditions. This “index” signal should be able to also reflect local, distribution issues, as warranted.

THEREFORE IT IS ORDERED THAT:

1. San Diego Gas & Electric Advice Letter 2328-E, Southern California Edison Advice Letter 2693-E and Pacific Gas and Electric Advice Letter 3995-E are approved, with modification as noted in this Resolution.
2. The proposed modification to Pacific Gas and Electric Rule 12 is rejected.
3. The proposed modification to Southern California Edison proposed Rule 25 is rejected.
4. San Diego Gas & Electric, Southern California Edison, and Pacific Gas and Electric are directed to file a Tier 1 Advice Letter within 30 days of approval of this Resolution making changes to their Electric Rule 12, as directed in this Resolution.
5. San Diego Gas & Electric, Southern California Edison, and Pacific Gas and Electric are directed to inform the CPUC of the definition of the “all in” price as part of the Tier 1 Advice Letter, as directed in this Resolution.
6. San Diego Gas & Electric, Southern California Edison, and Pacific Gas and Electric are directed to continue to participate in the development and implementation of a California Independent System Operator process to provide a wholesale market “index” signal, incorporate this “index” signal into an approved pilot, provide an update on the progress of the development of the “index” signal in their Tier 1 Advice Letter, and provide subsequent reports as directed by Ordering Paragraph 10 of D.11-07-056.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 13, 2012; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director